

## **IC 21-1-11**

### **Chapter 11. Administration of Veterans Memorial School Construction Fund**

#### **IC 21-1-11-1**

##### **Creation of fund; administration of act**

Sec. 1. There is created a fund to be known as the veterans memorial school construction fund. The administrative control of the fund and the responsibility for carrying out and making effective the provisions of this chapter are vested in the Indiana state board of education established by IC 20-1-1-1. The superintendent of public instruction shall, from funds appropriated for administering this chapter, provide office space and employees to enable the state board of education to perform the duties required of it by this chapter. The state board of education shall have the power to make rules necessary for the proper administration of the fund and for carrying out the provisions of this chapter.

*(Formerly: Acts 1955, c.312, s.1.) As amended by P.L.20-1984, SEC.174.*

#### **IC 21-1-11-2**

##### **Advancements from state school tuition fund authorized; limitations**

Sec. 2. (a) The state board of education is authorized, subject to the provisions of this chapter, to order and direct the auditor of state to divert and make an advancement periodically from the state school tuition fund for the construction, remodeling, or repair of school buildings to any school corporation or school organized and existing under and pursuant to any law of the state of Indiana for the operation of a public school which is a part of the common school system of the state. An advancement to any school or school corporation under section 3 of this chapter shall not be in excess of two hundred fifty thousand dollars (\$250,000). However, this dollar limitation is waived if:

- (1) the school corporation has an adjusted assessed valuation per pupil ADA of less than eight thousand four hundred dollars (\$8,400);
- (2) the school corporation's debt service tax rate would exceed one dollar (\$1) for each one hundred dollars (\$100) of assessed valuation without a waiver of the dollar limitation; and
- (3) the school property tax control board recommends a waiver of the limitation.

(b) All advancements shall be made by the state board of education only as set forth in this chapter. In no instance shall an advancement be made for any purpose other than the construction, remodeling, or repairing of school buildings and classrooms and shall not be made for gymnasiums, auditoriums, or any athletic facilities.

*(Formerly: Acts 1955, c.312, s.3; Acts 1974, P.L.102, SEC.1; Acts 1975, P.L.246, SEC.2.) As amended by P.L.20-1984, SEC.175;*

*P.L.6-1997, SEC.186.*

### **IC 21-1-11-3**

#### **Nondisaster advancements to schools and school corporations; prerequisites**

Sec. 3. The state board of education shall make nondisaster advancements to schools and school corporations under the provisions of this chapter only when the following conditions exist:

(a) The school buildings and classrooms of any school or school corporation are not adequate for the proper education of the pupils in that school or school corporation and the school or school corporation is unable to finance the construction, remodeling, or repair of the necessary classrooms under existing debt and tax limitations without undue financial hardship.

(b) The school corporation or school has issued its bonds for the purpose of constructing, remodeling, or repairing schools and school buildings in ninety percent (90%) of the maximum amount allowable under the constitution and laws of the state of Indiana.

(c) The school or school corporation does not have funds available for the construction, remodeling, or repair of school buildings and classrooms sufficient to meet the requirements for the proper education of the pupils therein.

(d) The school corporation or school shall have established and maintained a tax levy in the amount of at least sixteen and sixty-seven hundredths cents (\$0.1667) on each one hundred dollars (\$100) of taxable property within the school corporation for school building purposes continuously for three (3) years prior to the time when the school or school corporation shall make application to the state board of education for an advancement.

*(Formerly: Acts 1955, c.312, s.4; Acts 1959, c.382, s.1; Acts 1974, P.L.102, SEC.2.) As amended by P.L.20-1984, SEC.176; P.L.6-1997, SEC.187.*

### **IC 21-1-11-3.1**

#### **Disaster loans; limitations; repayment provision**

Sec. 3.1. (a) The state board of education may make a disaster loan to a school corporation that has suffered loss by fire, flood, tornado, wind, or other disaster which makes all or part of the school building or buildings unfit for school purposes as defined in IC 20-5-44.

(b) A loan made under this section may not exceed three million dollars (\$3,000,000). The school corporation shall repay the loan within twenty (20) years at an annual interest rate of one percent (1%) of the unpaid balance.

(c) The amounts repaid by school corporations under subsection (b) of this section shall be deposited in a special fund to be known as the "school disaster loan fund". The money remaining in the school

disaster loan fund at the end of a fiscal year does not revert to the state general fund. The state board of education may use the money in the school disaster loan fund only to make disaster loans to school corporations under this section.

(d) The provisions of sections 5, 6, and 7 of this chapter do not apply to loans made under this section.

*(Formerly: Acts 1974, P.L.102, SEC.3; Acts 1975, P.L.247, SEC.1.)  
As amended by P.L.20-1984, SEC.177.*

#### **IC 21-1-11-4**

##### **Petitions for advancement from school corporations**

Sec. 4. Any school corporation desiring to obtain an advancement under this chapter shall submit to the state board of education a verified petition stating the existing condition concerning the need for money to be used for the purpose of constructing, remodeling, or repairing a school building in the school corporation, the amount of money needed, and such other information as may be requested by the state board of education.

*(Formerly: Acts 1955, c.312, s.5.) As amended by P.L.20-1984, SEC.178.*

#### **IC 21-1-11-5**

##### **School building index; computation**

Sec. 5. The state board of education shall compute and ascribe to such applicant school or school corporation a school building index, which shall be the ratio of the school building need, in terms of money, to the school corporation tax ability, in terms of money, both as defined in this section as follows:

(a) The school building need, in terms of money, of a school or school corporation shall be determined by adding to the average daily attendance of school children in grades one (1) through twelve (12) of such school or school corporation during the current school year in which application for an advancement is made, twice the average daily attendance increase of said school or school corporation for the preceding three (3) years. However, the state board of education shall have authority to make adjustments to reflect the effect of changes of boundary lines, loss of transfer pupils, or loss of resident pupils to private, parochial, or cooperative program schools within such three (3) year period. The sum so obtained shall then be divided by twenty-five (25) to determine the number of classrooms needed to house the estimated enrollment increase. From the quotient so obtained there shall be subtracted the number of classrooms which are owned, or under a lease-rental arrangement, or under construction in said school corporation and which were constructed for and normally used for classroom purposes, at the time of making application for an advancement. However, there shall not be subtracted classrooms in a building or buildings found to be inadequate for the proper education of pupils under standards and procedures prescribed by the Indiana

state board of education, or which have been condemned under the provisions of IC 20-5-44 and which are to be replaced by funds applied for. The remainder so obtained shall be multiplied by the amount of twenty thousand dollars (\$20,000), and the product thereof shall be the school building need of such school or school corporation in the terms of money.

(b) The school corporation tax ability, in terms of money, shall be six and one-half percent (6 1/2%) of the adjusted value of taxable property within a school corporation as determined under IC 36-1-15 for state and county taxes immediately preceding the date of application, minus the principal amount of any outstanding general obligation bonds of such school or school corporation, and minus the principal amount of outstanding obligations of any corporation or holding company which has entered into a lease-rental agreement with the applicant school corporation, and minus the principal amount of outstanding civil township, town, or city school building bonds.

(c) If the school corporation tax ability of any school corporation as computed under subdivision (b) is less than one hundred dollars (\$100), the school corporation tax ability shall be deemed to be and shall be considered for the purposes of this chapter as being in the amount of one hundred dollars (\$100).

*(Formerly: Acts 1955, c.312, s.6; Acts 1959, c.382, s.2; Acts 1975, P.L.248, SEC.1.) As amended by P.L.20-1984, SEC.179; P.L.6-1997, SEC.188.*

#### **IC 21-1-11-6**

##### **School building index; priorities for advancement**

Sec. 6. Schools and school corporations having the highest school building index shall be considered first for advancements, which advancements shall be made in descending order of need as shown by said index, and the state board of education, after having given due consideration to the relative order of the various applicant schools and school corporations with regard to the school building index, and to the matters and facts which it is required to consider under the provisions of this chapter, and the intent and purposes thereof, is authorized and directed to advance money from the state school tuition fund to the various school corporations of the state for the purpose of construction, remodeling, or repairing in such amounts as are authorized, and as found by the state board of education to be necessary to enable the schools or school corporations to provide for the classrooms and school buildings necessary and required to place the educational facilities of the several school corporations of the state on as nearly a uniform and relatively adequate basis as possible.

*(Formerly: Acts 1955, c.312, s.7.) As amended by P.L.20-1984, SEC.180.*

#### **IC 21-1-11-7**

**Advancements not to be obligation of school corporation;  
additional conditions on advancements**

Sec. 7. Such advancement out of the state school tuition fund shall not be an obligation of the school corporation within the meaning of the constitutional limitation against indebtedness. Nothing shall relieve the board of school trustees or township trustee of any obligation under the laws of this state to qualify such school corporation for state school tuition; such board of school trustees or township trustee shall continue to perform all the acts necessary to obtain such funds. Any school corporation receiving an advancement under the provisions of this chapter shall agree to have the total amount of the money advanced plus one percent (1%) of the outstanding balance thereof deducted from the semiannual distribution of state school tuition support for a period of not to exceed twenty (20) years or until all of the money so advanced, plus one percent (1%) thereof, has been so deducted. The state board of education shall reduce the amount of each semiannual distribution of state school tuition support to any school corporation which has received an advancement under the provisions of this chapter in an amount to be agreed upon by and between the state board of education and the school corporation which amount shall include one percent (1%) on the balance of such advancement. However, when any school corporation which has received an advancement or advancements for the purpose of replacing a building or buildings under the provisions of section 5(a) of this chapter and shall not abandon such building or buildings for classroom purposes upon completion of the classrooms for which the application for funds has been made, the state board of education shall thereupon have authority to amend the amount of such deductions, which may include all state school tuition support due and payable to such school corporation. Further, if an advancement has heretofore been made as provided for by this chapter, which advancement was to be repaid within a shorter period of time than twenty (20) years, it shall be lawful for the receiving school corporation and the Indiana state board of education to renegotiate the agreement for repayment, said renegotiation to provide a shorter or longer period of repayment by the receiving school corporation but for a period not to exceed twenty (20) years from the date of the original advancement.

*(Formerly: Acts 1955, c.312, s.8; Acts 1959, c.382, s.3; Acts 1961, c.271, s.1.) As amended by P.L.20-1984, SEC.181.*

**IC 21-1-11-8**

**Debt service funded tax levy; transfer of money to general fund**

Sec. 8. Any school corporation receiving an advancement of state tuition funds under the provisions of this chapter may annually levy a tax in the debt service fund sufficient to produce an amount equal to the amount deducted in the current year from the distribution of state school tuition fund for tuition purposes to pay principal and interest on any advancement from such fund under the provisions of this chapter. The amount received from such tax shall be transferred

from the debt service fund to the general fund.  
*(Formerly: Acts 1955, c.312, s.9; Acts 1967, c.321, s.1.) As amended by P.L.2-1988, SEC.665.*

#### **IC 21-1-11-9**

##### **Transfers from veterans memorial school construction fund to state school tuition fund**

Sec. 9. (a) The auditor of state shall on December 31 and on June 30 of each year transfer from the veterans memorial school construction fund to the state school tuition fund the total amount of money advanced by the state board of education from the state school tuition fund to schools or school corporations under the provisions of this chapter.

(b) The state board of education shall not order advancements during any fiscal year from the state school tuition fund to school corporations in any sum greater than the balance remaining in the veterans memorial school construction fund at the end of the preceding fiscal year, plus all accruals and transfers to said fund.

(c) The auditor of state shall at the time of the semiannual distribution of the state school tuition fund transfer to the veterans memorial school construction fund an amount equal to the amount withheld from the distribution to school corporations who have received advancements under the provisions of this chapter.

*(Formerly: Acts 1955, c.312, s.10.) As amended by P.L.20-1984, SEC.182.*

#### **IC 21-1-11-10**

##### **Plaque commemorating veterans to be provided by school corporation**

Sec. 10. Each school corporation to which funds are advanced under this chapter shall provide a suitable plaque of a permanent nature commemorating the veterans who served in the armed forces of the United States. The plaque shall be in a form recommended by the state board of education.

*(Formerly: Acts 1955, c.312, s.11.) As amended by P.L.20-1984, SEC.183.*